GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:2466
ANSWERED ON:08.08.2000
COAL PRICE
JAGMEET SINGH BRAR

Will the Minister of COAL be pleased to state:

(a) whether a new system is being evolved by the Government to fix the prices of various categories of coal;

(b) if so, the extent to which the new system is different from the old system;

(c) the benefits likely to be derived by the consumer and producers from this new system; and

(d) the time by which it is likely to be put into practice?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a): With effect from 1st January, 2000, pricing of all grades of coking and non-coking coal has been deregulated. However, the powers of grading of coal are still with the Government. A proposal for changing the existing system of grading of non-coking coal on the basis of Useful Heat Value (UHV) to Gross Calorific Value (GCV) has been received in the Ministry of Coal.

(b): In the GCV system of grading of non-coking coal, it is possible to determine the exactvalue of non-coking coal grades supplied to consumers whereas in the existing UHV system, theheat value cannot be determined directly but computed by using an empirical formula. The band variation in GCV grades of non-coking coal is narrower than the existing variation of heat value in the UHV system.

(c): Under the GCV system, the consumer has the benefit of paying for the specific quality of non-coking coal received by him and the producer has an incentive to improve the quality of his production.

(d): No decision on adoption of GCV system has been taken by the Ministry of Coal so far.The impact of adoption of GCV system of grading of non-coking coal on the pricing of non-coking coal has also not been assessed. At this stage, it is not possible to make any estimate of the time by which GCV system is likely to be put into practice.